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House Bills 5438 (As Passed House)

Topic: Welfare Reform
Sponsor: Representatives Koiiman (two bills), Shaffer, Pearce, Farhat, Ball, Mortimer, and Kolb
Co-sponsors: Many members of the Republican Caucus are listed as co-sponsors.
Committee: House Families & Children's Services

Date Introduced: November 10, 2005

Date of Summary: December 2, 2005

These bills amend various sections of the Social Welfare Act, including several relating to the Work First program. All bills in the package are tie-barred to the other House bills in the package. A December 31, 2015 sunset is established for the exemptions and penalties provisions to replace the current December 31, 2005 sunset.

House Bill 5438

The Department of Human Services is required to make a determination whether an individual is eligible to participate in the Work First program or if the individual is exempt under Section 57f (children under age 16, children attending elementary or secondary school, parent of a child under three months of age, and a person aged 65 or older). Family independence assistance is limited to 48 months during a lifetime. Months in which the unemployment rate in the Metropolitan Statistical Area is higher than 10% or months in which the individual is temporarily deferred from Work First are not counted toward the 48-month lifetime limit.

The Department of Human Services is required to make a determination of the number of months each recipient has received family independence assistance. A person who is determined to have received assistance for a cumulative total of 36 months on the effective date of the act is eligible for not more than one year of additional assistance. The department's determination is required to be made within 90 days.

Family independence assistance eligibility is required to be reassessed not later than 24 months after application.

The "social contract" required by Section 57f is renamed the "personal development plan". The Departments of Human Services and Labor & Economic Growth are required to identify barriers that prevent Work First participants from obtaining employment and self-sufficiency.

All recipients are work or training eligible unless exempt from Work First and the exemptions are modified or clarified by the bill. The word "custodial" is inserted to modify "parent of a child under the age of 3 months". Abstinence-based family planning is added to the list of family services that a parent of a child under age three must participate in order to be exempt.

An individual applying for supplemental social security income is not automatically exempt from participation in Work First during the application process. Exemption for SSI or medical disability or blindness, physical or mental impairment must be based on written medical verification. Written documentation would also be required for a temporary medical exemption.

Individuals who are exempt are required to be evaluated by the Department of Human Services to determine eligibility to participate in other work-related activities. If eligibility is determined, the individual must be referred to those activities. Reevaluation of exempt individuals is required every 120 days to determine whether the individual continues to be exempt. An individual exempt due to a mental or physical illness, limitation, or disability must be evaluated every 90 days.

If a program group member is employed as part of his or her Work First participation requirement, the group's family independence assistance payment standard is required to be reduced by 10% within 90 days after placement.

House Bill 5439

Individuals receiving supplemental security income living with the family are required to be included as members of the program group and the amount received is included in the program group's income when determining financial eligibility for family independence assistance.

House Bill 5440

The Department of Human Services would be required to determine the state or states of residence for applicants who have not lived in the state for one year or more and determine if the individual received any type of cash assistance or medical assistance from one or more of those states. The department would also be required to determine the amount of time the applicant received assistance in the other states and that time would be counted toward the 48-month lifetime limit proposed in these bills.

House Bill 5441

This bill deals with penalties and creates a series of penalties that has been described as "three strikes and you're out". The first instance of non-compliance with the personal development plan would continue to be loss of eligibility for assistance for not less than 1 calendar year. However, reevaluation of the personal development plan and appropriate amendments would be required. The penalty for the second instance is termination for not less than 3 calendar months. Once again, assistance may be resumed if the recipient completes a willingness to comply test and the personal development plan is reevaluated. The penalty for the third instance is lifetime loss of benefits with no ability to reapply. Penalties would be reported to the Legislature once every 90 days by each county office.

Failure to participate in activities to fulfill the work first requirement will result in loss of benefits for the recipient's assistance group by an amount per hour equal to the current minimum

wage rate. The third termination for non-compliance would result in ineligibility of the assistance group for future family independence program assistance.

House Bill 5442

The bill creates an income disregard for \$200 of a program group member's income as well as 50% of the remainder of the member's income if the member is participating in Work First activities.

House Bill 5443

The bill establishes Work First work participation requirements. A participant may meet these requirements by participating in a comprehensive basic education or job skills program for a minimum of 30 hours per week. Participation in such a program is limited to 180 days. A participant who does not have a high school diploma or GED is required to enroll in a GED Preparation Course and may count up to 10 hours each week toward meeting the Work First participation requirements. A participant with a reading deficiency at the eighth grade level or lower is required to participate in a fast track literacy program for a period not to exceed 180 days. Participation in such a program may be counted toward the Work First participation requirements.

The work requirement for an individual receiving postsecondary education is 20 hours per week. Approval of the director of the Work First program is required and applies to an individual accepted into a two-year postsecondary education program or who has completed two years of a four-year postsecondary education program. At least a 2.5 grade point average and 90% classroom attendance must be maintained.

Each local Work First program is required to provide a report to the Legislature that includes, at a minimum, the following:

- Number and percentage of Work First participants achieving personal development plan goals.
- The number and percentage of participants placed in employment.
- The number and percentage of participants who remain employed for a period of 180 days or more.
- Number and percentage of cases closed due to self-sufficiency.
- Number and percentage of participants enrolled in postsecondary programs with information on the degree programs and graduation rates.
- Number and percentage of participants participating in a fast track literacy program and the success rate.
- The number and percentage of participants in a high school completion or GED program and the graduation rate.

Funding provided to Work First programs or providers contracted to administer Work First programs will be based on the success rate in three areas:

- Number and percentage of participants achieving personal development plan goals.
- Number and percentage of participants placed in employment and maintaining employment for 180 days or more.
- The number and percentage of Work First cases closed by the Michigan Works agency due to self-sufficiency.

House Bill 5444

The bill defines “personal development plan” and deletes the definition of “social contract”. Involvement of a Work First representative, as well as the Department of Human Services, in the personal development plan is provided. A thorough assessment is required as part of the development of the plan, including consideration of referral to a life skills program and determination of eligibility of adult members of the assistance group for participation in Work First. The plan would identify not only compliance goals but also the goals and responsibilities of the members of the group, the Department of Human Services, and the Work First program.

House Bill 5445

This bill contains language establishing a 48-month lifetime limit on benefits identical to House Bill 5438.

House Bill 5446

This bill contains language identical to House Bill 5438 relating to Work First participation exemptions and reevaluations of eligibility.